

TABLE 5. Grain sorghum, dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Causey-Lingo area, Roosevelt County, Actual 2018
 Planting Dates: May 15 - May 30
 Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
GRAIN SORGHUM	\$6.65	15.00 CWT							\$99.75
DIRECT PAYMENT	\$0.00	15.00 CWT	0.85						\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT							\$0.00
GRAZING	\$5.00	1 ACRE							\$5.00
TOTAL								\$104.75	
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	\$2.25	3 LBS	\$6.75						\$6.75
INSECTICIDE	\$15.88	1 X/ACRE	\$15.88						\$15.88
CROP INSURANCE	\$0.14		\$0.14						\$0.14
SUBTOTAL			\$22.77						\$22.77
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	165 HP	0.11 HR		\$0.94	\$3.01	\$1.61	\$2.20	\$7.76	
STUBBLE MULCH	165 HP	0.10 HR		\$0.86	\$2.73	\$1.34	\$2.52	\$7.45	
LISTER	165 HP	0.09 HR		\$0.77	\$2.46	\$0.84	\$1.62	\$5.69	
ROD WEED	165 HP	0.05 HR		\$0.43	\$1.37	\$0.34	\$0.75	\$2.88	
PLANTER	93 HP	0.12 HR		\$1.03	\$2.06	\$0.42	\$2.60	\$6.11	
CULTIVATOR	93 HP	0.10 HR		\$0.86	\$1.72	\$0.59	\$0.46	\$3.62	
SPRAYER	93 HP	0.06 HR		\$0.51	\$1.03	\$0.10	\$0.63	\$2.27	
SUBTOTAL		0.63 HR		\$5.39	\$14.38	\$5.24	\$10.78	\$35.78	
HARVEST OPERATIONS									
COMBINE		0.14 HR		\$1.20	\$3.57	\$0.36	\$12.55	\$17.68	
HAUL	2 TON	0.14 HR		\$1.20	\$2.71	\$0.90	\$1.79	\$6.60	
SUBTOTAL		0.28 HR		\$2.39	\$6.28	\$1.26	\$14.34	\$24.27	
OVERHEAD EXPENSES									
DOWNTIME		0.12 HR		\$1.00				\$1.00	
EMPLOYEE BENEFITS				\$1.40				\$1.40	
INSURANCE			\$0.16					\$0.16	
LAND TAXES							\$0.60	\$0.60	
SUPERVISION AND MANAGEMENT				\$7.71				\$7.71	
OTHER EXPENSES			\$29.70					\$29.70	
SUBTOTAL		0.12 HR		\$29.85	\$10.11		\$0.60	\$40.57	
TOTAL OPERATING EXPENSES		1.03 HR		\$52.63	\$17.89	\$20.66	\$6.50	\$25.72	\$123.40
NET OPERATING PROFIT									(\$18.65)
INTEREST ON OPERATING CAPITAL		(\$16.92	@	5.75%)			\$0.97
INTEREST ON EQUIPMENT INVESTMENT									\$9.31
RETURN TO LAND AND RISK									(\$28.93)

BUDGET SUMMARY			
GROSS RETURN		\$104.75	
VARIABLE OPERATING EXPENSES	\$79.79		
RETURN OVER VARIABLE EXPENSES		\$24.96	(GROSS MARGIN)
FIXED EXPENSES	\$25.72		
NET FARM INCOME		(\$0.75)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$17.89		
NET OPERATING PROFIT		(\$18.65)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$10.28		
RETURN TO LAND AND RISK			(\$28.93)

TABLE 6. Upland cotton (stripper), dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Causey-Lingo area, Roosevelt County, Actual 2018
 Planting Dates: May 1 - June 10
 Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE					TOTAL	
GROSS RETURNS									
LINT	\$0.67	425.00 LBS						\$284.75	
SEED	\$0.08	680 LBS						\$57.12	
DIRECT PAYMENT	\$0.0000	425.00 LBS	0.85					\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.1373	250.00 LBS	0.85					\$29.18	
TOTAL								\$371.05	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$8.45	15 LBS	\$126.75						\$126.75
INSECTICIDE (CUSTOM)	\$20.01	1 X/ACRE	\$20.01						\$20.01
CROP INSURANCE	\$0.09		\$0.09						\$0.09
SUBTOTAL			\$146.85						\$146.85
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
CHISEL	165 HP	0.15 HR		\$1.28	\$4.10	\$1.05	\$2.21	\$8.65	
DISC	165 HP	0.11 HR		\$0.94	\$3.01	\$1.61	\$2.20	\$7.76	
LISTER	165 HP	0.09 HR		\$0.77	\$2.46	\$0.84	\$1.62	\$5.69	
ROD WEED	165 HP	0.05 HR		\$0.43	\$1.37	\$0.34	\$0.75	\$2.88	
PLANTER	165 HP	0.12 HR		\$1.03	\$3.28	\$0.96	\$4.01	\$9.28	
CULTIVATOR (2X)	93 HP	0.20 HR		\$1.71	\$3.43	\$1.17	\$0.91	\$7.23	
HAND HOE (CUSTOM)			\$6.00					\$6.00	
SUBTOTAL		0.72 HR	\$6.00	\$6.16	\$17.66	\$5.97	\$11.71	\$47.49	
HARVEST OPERATIONS									
COTTON STRIPPER (MTD)	93 HP	0.58 HR		\$4.96	\$9.96	\$1.05	\$3.36	\$19.33	
HAUL	2 TON	0.50 HR		\$4.28	\$9.69	\$3.22	\$6.38	\$23.56	
GIN COTTON (CUSTOM)			\$65.28					\$65.28	
SUBTOTAL		1.08 HR	\$65.28	\$9.23	\$19.65	\$4.27	\$9.73	\$108.17	
POST HARVEST OPERATIONS									
SHREDDER	93 HP	0.25 HR		\$2.14	\$4.29	\$0.32	\$0.82	\$7.57	
OVERHEAD EXPENSES									
DOWNTIME		0.47 HR		\$4.04				\$4.04	
EMPLOYEE BENEFITS				\$3.15				\$3.15	
INSURANCE			\$0.35					\$0.35	
LAND TAXES							\$0.60	\$0.60	
SUPERVISION AND MANAGEMENT				\$26.92				\$26.92	
OTHER EXPENSES			\$29.70					\$29.70	
SUBTOTAL		0.47 HR	\$30.05	\$34.11			\$0.60	\$64.76	
TOTAL OPERATING EXPENSES		2.52 HR	\$248.18	\$51.64	\$41.60	\$10.57	\$22.86	\$374.85	
NET OPERATING PROFIT								(\$3.80)	
INTEREST ON OPERATING CAPITAL		(\$82.48 @	5.75%)				\$4.74	
INTEREST ON EQUIPMENT INVESTMENT								\$6.71	
RETURN TO LAND AND RISK								(\$15.25)	

BUDGET SUMMARY

GROSS RETURN		\$371.05	
VARIABLE OPERATING EXPENSES	\$300.35		
RETURN OVER VARIABLE EXPENSES		\$70.70	(GROSS MARGIN)
FIXED EXPENSES	\$22.86		
NET FARM INCOME		\$47.84	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$51.64		
NET OPERATING PROFIT		(\$3.80)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$11.45		
RETURN TO LAND AND RISK		(\$15.25)	

TABLE 7. Wheat, dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Causey-Lingo area, Roosevelt County, Actual 2018
 Planting dates: August 15 - September 15
 Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE							TOTAL
GROSS RETURNS										
WHEAT	\$4.75	18.00 BUSHELS								\$85.50
DIRECT PAYMENT	\$0.00	18.00 BUSHEL	0.85							\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00									\$0.00
GRAZING	\$10.00	1.00 ACRE								\$10.00
TOTAL										\$95.50
PURCHASED INPUTS										
	PRICE	QUANTITY	PURCHASED INPUTS						FIXED COST	TOTAL
SEED	\$0.37	30 LB	\$11.10							\$11.10
CROP INSURANCE	\$0.14		\$0.14							\$0.14
										\$11.24
PREHARVEST OPERATIONS										
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST		TOTAL	
STUBBLE MULCH	165 HP	0.10 HR		\$0.86	\$2.73	\$1.34	\$2.52		\$7.45	
DISC	165 HP	0.11 HR		\$0.94	\$3.01	\$1.61	\$2.20		\$7.76	
RODWEED	165 HP	0.05 HR		\$0.43	\$1.37	\$0.34	\$0.75		\$2.88	
DRILL	93 HP	0.05 HR		\$0.43	\$0.86	\$0.23	\$4.52		\$6.04	
SUBTOTAL		0.31 HR		\$2.65	\$7.97	\$3.52	\$10.00		\$24.14	
HARVEST OPERATIONS										
COMBINE		0.14 HR		\$1.20	\$3.57	\$0.36	\$12.55		\$17.68	
HAUL	2 TON	0.14 HR		\$1.20	\$2.71	\$0.90	\$1.79		\$6.60	
SUBTOTAL		0.28 HR		\$2.39	\$6.28	\$1.26	\$14.34		\$24.27	
OVERHEAD EXPENSES										
DOWNTIME		0.10 HR		\$0.86					\$0.86	
EMPLOYEE BENEFITS				\$0.91					\$0.91	
INSURANCE				\$0.10					\$0.10	
LAND TAXES									\$0.60	
SUPERVISION AND MANAGEMENT				\$6.84					\$6.84	
OTHER EXPENSES				\$29.70					\$29.70	
SUBTOTAL		0.10 HR		\$29.80	\$8.60			\$0.60	\$39.00	
TOTAL OPERATING EXPENSES		0.41 HR		\$40.90	\$13.65	\$14.25	\$4.78	\$24.94	\$98.51	
NET OPERATING PROFIT										(\$3.01)
INTEREST ON OPERATING CAPITAL		(\$9.05 @ 5.75%)								\$0.52
INTEREST ON EQUIPMENT INVESTMENT										\$9.14
RETURN TO LAND AND RISK										(\$12.68)
BUDGET SUMMARY										
GROSS RETURN		\$95.50								
VARIABLE OPERATING EXPENSES	\$59.93									
RETURN OVER VARIABLE EXPENSES	\$35.57	(GROSS MARGIN)								
FIXED EXPENSES	\$24.94									
NET FARM INCOME	\$10.63	(RETURN TO CAPITAL, LABOR, LAND & RISK)								
LABOR AND MANAGEMENT COST	\$13.65									
NET OPERATING PROFIT	(\$3.01)	(RETURN TO CAPITAL, LAND & RISK)								
CAPITAL COSTS	\$9.66									
RETURN TO LAND AND RISK		(\$12.68)								

TABLE 8. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Roosevelt County, Actual 2018

	GRAIN SORGHUM	STRIPPER COTTON	WHEAT
	CWT	LBS	BU
PRIMARY YIELD	15.00	425.00	18.00
PRIMARY PRICE	\$6.65	\$0.67	\$4.75
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$57.12	\$10.00
GROSS RETURN	\$104.75	\$371.05	\$95.50
CASH OPERATING EXPENSES			
SEED	\$6.75	\$126.75	\$11.10
FERTILIZER			
CHEMICALS	\$15.88	\$20.01	
CROP INSURANCE	\$0.14	\$0.09	\$0.14
OTHER PURCHASED INPUTS			
CANAL WATER			
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$20.66	\$41.60	\$14.25
FUEL-IRRIGATION			
REPAIRS	\$6.50	\$10.57	\$4.78
CUSTOM CHARGES	\$0.00	\$71.28	\$0.00
LAND TAXES	\$0.60	\$0.60	\$0.60
OTHER EXPENSES	\$29.85	\$30.05	\$29.80
TOTAL CASH EXPENSES	\$80.39	\$300.95	\$60.67
RETURN OVER CASH EXPENSES	\$24.36	\$70.10	\$34.83
FIXED EXPENSES	\$25.12	\$22.26	\$24.33
TOTAL EXPENSES	\$105.50	\$323.21	\$85.01
NET FARM INCOME	(\$0.75)	\$47.84	\$10.49
LABOR AND MANAGEMENT COSTS	\$17.89	\$51.64	\$13.65
NET OPERATING PROFIT	(\$18.65)	(\$3.80)	(\$3.15)
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL	\$0.97	\$4.74	\$0.52
INTEREST ON EQUIPMENT INVESTMENT	\$9.31	\$6.71	\$9.14
TOTAL CAPITAL COSTS	\$10.28	\$11.45	\$9.66
RETURN TO LAND AND RISK	(\$28.93)	(\$15.25)	(\$12.82)

TABLE 9. Whole farm summary, Causey-Lingo area, Roosevelt County,
Actual 2018

GROSS RETURNS		
GRAIN SORGHUM	357.00 ACRES	
CROP		\$35,611
GRAZING		\$1,785
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
COTTON	546.00 ACRES	
LINT		\$155,474
SEED		\$31,188
DIRECT PAYMENT		\$0
WHEAT	357.00 ACRES	
CROP		\$30,524
GRAZING		\$3,570
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$258,150</u>
CASH OPERATING EXPENSES		
SEED		\$75,578
FERTILIZER		\$0
CHEMICALS		\$16,594
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$35,173
FUEL-IRRIGATION		\$0
REPAIRS		\$9,798
CUSTOM CHARGES		\$38,919
LAND TAXES		\$757
OTHER EXPENSES		\$37,704
TOTAL CASH EXPENSES		<u>\$214,674</u>
RETURN OVER CASH EXPENSES		\$43,476
FIXED EXPENSES		\$29,808
TOTAL EXPENSES		\$244,482
NET FARM INCOME		\$13,668
LABOR AND MANAGEMENT COSTS		\$39,456
NET OPERATING PROFIT		(\$25,788)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,123
INTEREST ON EQUIPMENT INVESTMENT		\$10,249
TOTAL CAPITAL COSTS		<u>\$13,372</u>
RETURN TO LAND AND RISK		<u>(\$39,159)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$44,919)	-6.77%
\$200 /ACRE	(\$46,839)	-5.80%
\$250 /ACRE	(\$48,759)	-5.07%
\$300 /ACRE	(\$50,679)	-4.50%
\$350 /ACRE	(\$52,599)	-4.05%
\$400 /ACRE	(\$54,519)	-3.68%

* RETURN TO LAND AND RISK MINUS (INTEREST RATE TIMES LAND VALUE TIMES ACREAGE)

** NET OPERATING PROFIT DIVIDED BY (MACHINERY AND EQUIPMENT VALUE PLUS LAND VALUE)